Promotion of Small-Scale Enterprises

617. DR. KARAN SINGH : Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether a study-group of Planning commission on development of Small Scale Enterprises have suggested a single unified Act Governing the promotion and development of this Sector;

(b) if so, the drawbacks pointed out by the study group in the existing laws Governing Small Scale Industry Sector and the major improvements sought to be effected through the new law; and

(c) Government's reaction thereto?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE): (a) and (b) Yes, Sir. According to the Study Group, existing laws affecting small scale industries (SSIs) could be classified in three categories (a) Laws governing setting up of industries (b) Laws governing working of the industry and (c) Laws relating to Labour & their welfare. Of these, the Study Group has observed that the laws relating to labour and welfare are more deterrent and trouble some because small entrepreneurs are not able to comply with the requirements of maintaining a large number of registers, forms, returns etc. Further, the labour strength of the small enterprises may vary as per availability of orders, which increase difficulties of small enterprises to comply with the labour laws. A Single Unified Act would cover all aspects relating to regulation and growth of small enterprises doing away with the plethora of laws and rules and regulations governing the sector.

(c) Government have entrusted a study for simplification of laws, rules, procedures affecting the small scale industries sector to an independent agency. They have also been entrusted the task of suggesting a single comprehensive , law for SSIs.

Cost Escalation of Public Sector Projects

618. SHRI KARNENDU BHATTACHARJEE: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that cost and time over-runs of the various public sector projects are likely to impose an additional burden of Rs. 40,000 crores;